

**City Light Advisory Board Meeting
January 20, 2005, 8:30 – 11:30 a.m.**

MEETING SUMMARY

Board members present: Carol Arnold, Randy Hardy, Jay Lapin (by phone), Sara Patton

Also present: Jorge Carrasco, John Prescott, Bill Gaines, DaVonne Johnson, Joan Walters, Jean Becker, David Docter (City Light), Carol Butler, Tom VanBronkhorst (Legislative), Thomas Dunlap (Department of Finance), Alec Fiskien, Julie Tobin (Office of Policy & Management)

City Light Audit and Financial Reporting Laurie J. Tish, Director and Dora Burzenski, Senior Manager, Deloitte & Touche (Handout)

Deloitte & Touche gave an overview of the auditor's role with regard to City Light and offered to be a resource for the Advisory Board. The auditors will issue a report on financial statements and a management letter of recommendations in April, brief the Council Energy & Environmental Policy Committee in April and brief the Advisory Board in May. Laurie Tish will call Jay Lapin and follow up on his specific questions. The Advisory Board will bear in mind the auditing process when working on their utility governance recommendation. The Advisory Board recommended that the auditors review the PACE report.

Superintendent's Update

Handouts: Transforming Seattle City Light, Seattle City Light Operations Report - January, William (Bill) Gaines Bio, John P. Prescott Bio

- New staff. The Superintendent introduced John Prescott, Power Supply Officer and Bill Gaines, Power Marketing and passed out bios for both. John Prescott is briefing the Council Energy & Environmental Policy Committee on the status of boundary re-licensing on January 26 and offered to give the Advisory Board a briefing. The Superintendent will create an opportunity for Jay Lapin to meet both John and Bill.
- Transforming Seattle City Light. Sara Patton commented that there will be continued interest by the environmental community in the placement of City Light's environmental office. The re-organization is a cascading process and as part of the due diligence process the steering committee will be interviewing people. Joan Walters will include Sara Patton in the list of interviewees. It was suggested that good communication on the process be sustained so that people continue to understand the overarching objective of whole exercise. The Superintendent will update the Advisory Board at the next meeting on the re-organization status.
- SLICE/Block power price issue. Randy Hardy complemented the Superintendent on his very constructive role and participation in encouraging mediation over arbitration with BPA. This is a positive change

Annual Report

Carol Arnold will incorporate comments made by the Advisory Board. Bob Royer will supply the cover photos. Julie Tobin will circulate the distribution list to meeting attendees for their comments and edits. Carol Arnold will revise the cover letters. The Advisory Board are scheduled to brief the Energy and Environmental Policy Committee on February 23. Alec Fiskien will schedule a meeting with the Mayor in early February. At least three Board members will attend each meeting. Julie Tobin will forward Carol Arnold last year's briefing list and Carol will organize the staffing. A PDF version of the annual report will be sent to Larry Vogel to post on the Advisory Board website.

2005 work program

Continuing issues:

Strategic Planning/Integrated Resource Plan

Risk Management

Financial Policy/Rates Framework Task Force

Governance

The goal is to provide a report that assesses the strengths and weaknesses of the current governance and makes practical recommendations for improvement by early summer. The Advisory Board will continue the research from last fall. Jay Lapin, Carol Arnold and Gary Swofford will be the lead Board members working on this issue. Jay Lapin will draft up an initial work program based on today's discussion and circulate to Board members prior to the February 1 meeting. Jean Becker and David Docter, City Light, will provide continued assistance.

Other Business

City Light offered Advisory Board members free tickets for the City Club Alternative Energy Technology Forum on January 28.

Julie Tobin will send handouts from today's meeting to Gary Swofford, Jay Lapin and Don Wise.